



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR



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November 4, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE AMENDMENT NUMBER TWO TO AGREEMENT
NUMBER 72748 WITH WAUSAU FINANCIAL SYSTEMS, INC., TO PROVIDE AN
UPGRADE TO THE REMITTANCE PROCESSING AND IMAGE ARCHIVE SYSTEM
(3 VOTES)**

**CIO RECOMMENDATION: (X) APPROVE () APPROVE WITH MODIFICATION
() DISAPPROVE**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached Amendment Number Two to Agreement No. 72748 with Wausau Financial Systems, Inc. (WFS), for the provision of a hardware and software upgrade (Upgrade), associated ongoing hardware and software maintenance, and a provision for the purchase of additional user licenses, for the Treasurer and Tax Collector (TTC) Remittance Processing and Image Archive/Optima 3 IMS System, with a total maximum County obligation of \$430,219 over the remaining term of this Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 6, 2000, your Board approved an agreement with WFS (Agreement) for a Remittance Processing and Image Archive System (System). This System was implemented in August 2000 and currently processes over six (6) million payment transactions per year for various accounts receivable applications including property tax. The Remittance Processing component of the System provides an enhanced automated payment process including daily bank deposits, while the Image Archive component of the System supports the imaging of the payment transactions and provides a search engine to facilitate the archiving and research associated with the processed transactions.

On June 3, 2003, the Board approved Amendment Number One to the original agreement with WFS, which upgraded the Image Archive System component (currently known as Optima 3 IMS), providing TTC with a more robust document imaging and management system to better meet TTC's needs. Since the implementation of the upgraded Image Archive System, utilization of the document imaging system is expanding within TTC and among the client users. The proposed amendment will provide for the purchase of additional Optima 3 IMS user licenses to permit the projected expansion of the image management system.

Amendment Number Two (Amendment) to the Agreement will provide for system hardware and system software Upgrade to the Remittance Processing component of the System necessitated by manufacturer upgrades, obsolete products and discontinued technical support services. Effective January 1, 2005, Microsoft, Inc., will no longer support the existing Remittance Processing and Image Archive/Optima 3 IMS System platform of Windows NT. Consequently, the existing system software must be upgraded to include the latest version of the operating software. Since the hardware components of the existing Remittance Processing and Image Archive/Optima 3 IMS System do not support the upgraded operating software, to ensure ongoing System functionality, the existing hardware platform must also be upgraded to accommodate TTC's conversion to the latest, supported version of the operating system software.

Implementation of Strategic Goals

The System Upgrade is in accordance with this Department's approved Business Automation Plan. Implementation of this upgrade will also meet the County's Strategic Plan Goals of Organizational Effectiveness and Service Excellence. The upgraded Remittance Processing and Image Archive System platform will enhance TTC's electronic document management, thereby contributing to the County's goal of a paperless environment and continuous collaboration among departments to provide seamless service delivery.

FISCAL IMPACT/FINANCING

The maximum amount of Amendment Number Two is \$430,219 of which \$68,505 is for System Upgrade acquisition costs, \$41,714 for professional services, specialized contingency fees, and \$320,000 for additional Optima 3 IMS licenses and the associated maintenance fees for expanded use of the system. The Department has funds appropriated in its current budget to cover the maximum amount of the Amendment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County's Chief Information Officer concurs with the Department's recommendation, (see attached analysis). The attached Amendment Number Two has been reviewed and approved as to form by County Counsel.

The latest County required contract provisions have been added under Amendment Number One to the Agreement.

Language in the recommended Amendment contains clear performance standards and includes monetary assurance provisions for non-performance.

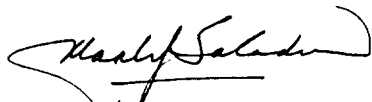
IMPACT ON CURRENT SERVICES

The System Upgrade will be pre-staged at WFS headquarters in Mosinee, Wisconsin prior to delivery and set-up at the permanent site in TTC's payment processing center. This will enable software and hardware component testing with minimal disruption to TTC's operations. The System Upgrade is targeted for full implementation over a weekend, between critical processing jobs to mitigate any transition issues. This will provide sufficient lead-time prior to peak processing periods to complete acceptance testing and ensure that the System performs in accordance with the terms of the Agreement. Full implementation of the System Upgrade will enhance TTC's payment processing and public service functions.

CONCLUSION

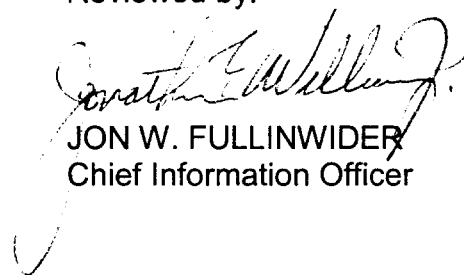
Instruct the Executive Officer/Clerk of the Board to return two (2) signed originals of Amendment Number Two to Agreement No. 72748 and one (1) adopted stamped Board letter to TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

Reviewed by:



JON W. FULLINWIDER
Chief Information Officer

MJS:dhh

Attachments

c: Auditor-Controller
Chief Administrative Officer
Chief Information Officer
County Counsel